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**October 8, 2003
FOR IMMEDIATE RELEASE**

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KENSINGTON WOMAN SENTENCED IN TAX REFUND FRAUD SCHEME

GREENBELT, Maryland - Thomas M. DiBiagio, United States Attorney for the District of Maryland, announced that U.S. District Judge Alexander Williams, Jr. sentenced Gina Marie Horton, age 33, of Kensington, Maryland today to 2 years in prison followed by 3 years of supervised release for her leadership role in an income tax refund fraud conspiracy and filing her own false income tax return. Judge Williams also ordered Horton to pay \$59,006 in restitution to the Internal Revenue Service and two banks.

According to information developed during an investigation by the Internal Revenue Service - Criminal Investigation and as set forth in an indictment returned by a grand jury in April 2003, Horton conspired to obtain the payment of fraudulent claims for income tax refunds from the Internal Revenue Service, and caused the submission of false income tax returns, W-2 wage and tax statements, and electronic tax filing declarations, including her own, which sought more than \$100,000 in fraudulent refunds.

Horton pled guilty on July 23, 2003 to conspiracy to defraud the IRS from January to May 2001 and filing her own false tax return. According to the statement of facts contained in the plea agreement, Horton admitted that in 1999 she formed Lifeline, Inc., a Maryland corporation that

never earned any income, paid wages or salary to any employee, nor submitted required federal tax documents. Beginning in early 2001, Horton began creating fictitious Form W-2 wage and tax statements which purported to state income paid to and taxes withheld from herself and other individuals by Lifeline, Inc. She obtained blank W-2 forms from the IRS or purchased blank forms from Staples, and filled them out using a typewriter belonging to her neighbor. Horton first submitted a false refund application in her name, then assisted other individuals with valid social security numbers who were willing to submit false returns and share with her the proceeds of the resulting tax refunds or the tax refund anticipation loans issued by a financial institution.

In sentencing Horton, Judge Williams rejected her requests that he reduce her sentence under the federal sentencing guidelines because of her history of drug and alcohol abuse, sexual abuse and mental health problems. Agreeing that Horton “has had a number of problems and issues she has been wrestling with over the past 13 to 15 years,” Judge Williams also noted that a further problem was that sentences imposed in Horton’s previous encounters with the law in Montgomery County and the District of Columbia “continued to give her suspended sentences and time served” and did not treat her in a manner that might have prevented her from moving on to the serious federal tax fraud charges contained in this case.

This case was investigated by Internal Revenue Service - Criminal Investigation and was prosecuted by Assistant United States Attorney Stuart A. Berman.